
DIGEST

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HB 782 Original

2016 Regular Session

Davis

Abstract: Redefines the terms "employer", "small employer", "small group", "large employer", and "large group" for purposes of regulation of health insurance.

Present law, relative to assuring portability, availability, and renewability of health insurance coverage, defines an "employer" as any person acting directly as an employer, or indirectly in the interest of an employer, in relation to an employee benefit plan, and includes a group or association of employers acting for an employer in such capacity.

Proposed law additionally provides that, at the option of a health insurance issuer (health insurer), such issuer may require that a majority of the employees covered under an employee benefit plan are employed or reside in this state, and that there is a bona fide employer-employee relationship to prevent the formation of employer groups primarily for the purposes of buying health insurance.

Present law, relative to assuring portability, availability, and renewability of health insurance coverage, defines a "small employer", in connection with a group health plan during a calendar year and a plan year, as an employer who employed an average of at least two but not more than 50 employees on business days during the preceding calendar year and who employs at least two employees on the first day of the plan year.

Proposed law changes such definition to provide that a "small employer", in connection with a group health plan during a calendar year and a plan year, shall be an employer who employed an average of at least one but not more than 50 employees on business days during the preceding calendar year and who employs at least one employee on the first day of the plan year.

Present law, relative to review of rates of health insurance issuers (health insurers), defines a "large group" or "large employer", in connection with a group health plan with respect to a calendar year and a plan year, as an employer who employed an average of at least 51 employees on business days during the preceding calendar year and who employs at least two employees on the first day of the plan year, and beginning on Jan. 1, 2016, an employer who employed an average of at least 101 employees on business days during the preceding calendar year and who employs at least two employees on the first day of the plan year. Further defines a "small group" or "small employer" as any person, firm, corporation, partnership, trust, or association actively engaged in business which has employed an average of at least one but not more than 50 employees on business days during the preceding calendar year and who employs at least one employee on the first day of the plan year, and beginning on Jan. 1, 2016, an employer who employed an average of at least one but not more than 100 employees on business days during the preceding calendar year and who employs at least one

employee on the first day of the plan year.

Proposed law deletes the provisions of present law changing the definitions of "large group", "large employer", "small group", and "small employer" beginning on Jan. 1, 2016.

Present law additionally provides that a "small group" or "small employer" shall include coverage sold to small groups or small employers through associations or through a blanket policy. Also requires that, for purposes of rate calculation by a health insurance issuer (health insurer), a small employer group consisting of one employee shall be rated within such issuer's individual market risk pool, unless that issuer provides only employer coverage and thus has only a small group market risk pool.

Proposed law retains present law.

(Amends R.S. 22:1061(5)(e)(iii) and 1091(B)(13) and (22); Adds R.S. 22:1061(5)(e)(vii))